

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7481

BILL NUMBER: HB 1472

NOTE PREPARED: Jan 29, 2009

BILL AMENDED:

SUBJECT: Elimination of Office of Management and Budget.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill terminates the Office of Management and Budget (OMB). It transfers the functions of the OMB to the State Budget Agency (SBA).

It also repeals an obsolete definition, a provision establishing the OMB, and a provision designating the Director of the OMB as the Budget Director.

Effective Date: June 30, 2009; July 1, 2009.

Explanation of State Expenditures: The bill has indeterminate fiscal impact on state government. The bill does not delete or diminish any responsibilities or administrative functions currently assigned in statute to the OMB or its director, but rather transfers them to the SBA. If the SBA can perform these duties more efficiently than the OMB, cost savings will result.

Additional Information- Office and Management Budget: The OMB was established in the budget bill passed in 2005, along with the position of OMB director. The OMB reviews executive department budgets and functions, and the OMB director acts as the state's chief financial officer, responsible to the Governor, overseeing, coordinating, and having authority over budgeting, accounting, fiscal management, and spending functions that previously occurred within the various agencies, departments, and programs of state government. The OMB has direct responsibility for the functions of the SBA, the Department of Local Government Finance (DLGF), the Department of Administration (DOA), the Department of State Revenue (DOR), the Indiana Finance Authority (IFA), the Public Employees' Retirement Fund (PERF), and the Teachers' Retirement Fund (TRF). The OMB also has one division, the Division of Government Efficiency

and Financial Planning.

Salary and benefits for the 10 OMB staff are about \$809,000. Total expenditures for the OMB are shown in the table below for FY 2007 and FY 2008.

Expense	FY 2007	FY 2008
Salaries and Benefits	\$963,617	\$808,945
Management Consultants	3,000	3,000
Rent	10,328	33,441
Shared State Expenses	4,452	15,004
Other	<u>12,253</u>	<u>23,390</u>
Total	\$993,650	\$883,780

As seen in the table below, since the establishment of the OMB, the OMB and SBA, combined, have added eight filled positions. Within the agencies that report to the OMB, filled positions have decreased by 359 between December 7, 2004, and January 5, 2009. Although the OMB added employees, these may have been positions that were transferred from other agencies within its organization.

Agency	Positions December 7, 2004	Positions January 5, 2009	Increase/ (Decrease)
OMB	-	10	10
SBA	33	31	(2)
Subtotal	33	41	8
DLGF	65	57	(8)
DOA	495	255	(240)
DOR	935	733	(202)
IFA	-	25	25
PERF	109	177	68
TRF	<u>50</u>	<u>40</u>	<u>(10)</u>
Grand Total	1,687	1,328	(359)

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMB; SBA; DLGF; DOA; DOR; IFA; PERF; TRF.

Local Agencies Affected:

Information Sources:

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